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Richmond, VA 23219  
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September 14, 2004

***Re: United States v. Clyde E. Austin, Sr., Lamont C. Knight, Thomas W. Hofler, Jr.  
and Richard A. Hertz, Sr.  
USAO Number: 1999R00933  
Court Docket Number: 3:03CR211***

Dear Sir or Madam:

Pursuant to federal law, you are entitled to be notified of the court proceedings relating to the criminal litigation of the above-styled case. This letter is to inform you that events have occurred or will be scheduled in your case in the near future. At this time, we would like to inform you of the following:

**Clyde E. Austin, Sr.**

On December 19, 2003, Clyde E. Austin, Sr. entered into a plea of guilty on Count 1 (Mail Fraud), Count 25 (Money Laundering), and Count 40 (Conspiracy to Commit Money Laundering). Because Austin has been found guilty of the above crimes, he was sentenced by the United States District Court, 1000 East Main Street, Richmond, VA on June 17, 2004, before Judge James R. Spencer, United States District Judge. The Court ordered that Austin must serve 210 months in prison, consisting of 60 months on Count 1 and 210 months on each of Counts 25 and 40, all to run concurrently. Upon release from confinement, Austin shall be on supervised release for a term of three years on each of Counts 1, 25, and 40, to run concurrently. Austin must also comply with the other conditions placed on him by the Court outlined in the Sentencing Order entered on June 17, 2004 by Judge Spencer.

Additionally, the Court ordered that Austin must make restitution to the victims in this case. The total amount of restitution owed will be outlined in a separate order of restitution to be entered at a later date. Please check the website outlined below if you would like updated information as to the status of this case.

**Lamont C. Knight**

On February 18, 2004, a jury returned the following ***guilty verdicts*** involving Lamont C. Knight: Counts 11 - 13, 15, 17, 19-20, 22, 26-28 (Wire Fraud), Counts 29-30 (Money Laundering), Count 40 (Conspiracy to Commit Money Laundering), and Counts 41-42 (Perjury).

Because Knight has been found guilty of the above crimes, he was sentenced by the United States District Court on May 26, 2004 before Judge James R. Spencer. The Court ordered that Knight must serve 135 months in prison, consisting of 60 months on each of Counts 11, 12, 13, 15, 17, 19, 20, 22, 41, and 42 and 135 months on each of Counts 26, 27, 28, 29, 30, and 40, all to run concurrently. Upon release from confinement, Knight shall be on supervised release for a term of three years on each of Counts 11, 12, 13, 15, 17, 19, 20, 22, 26, 27, 28, 29, 30, 40, 41 and 42, to run concurrently. Knight must also comply with the other conditions placed on him by the Court outlined in the Sentencing Order entered on May 26, 2004, by Judge Spencer.

Additionally, the Court ordered that Knight must make restitution to the victims in this case. The total amount of restitution owed is \$3,201,816.19.

**Richard A. Hertz, Sr.**

On February 18, 2004, a jury returned the following ***guilty verdicts*** involving Richard A. Hertz, Sr.: Counts 5, 6-7, 11-13, 19-20, 22 (Wire Fraud), Counts 29-30 (Money Laundering), and Count 40 (Conspiracy to Commit Money Laundering).

Because Hertz has been found guilty of the above crimes, he was sentenced by the United States District Court, 1000 East Main Street, Richmond, VA on May 26, 2004 before Judge James R. Spencer. The Court ordered that Hertz must serve 97 months in prison, consisting of 60 months on each of Counts 5, 6, 7, 11, 12, 13, 19, 20, and 22 and 97 months on each of Counts 29, 30, and 40, all to run concurrently. The Court recommended to the Bureau of Prisons that Hertz participate in the UNICOR program and that payments toward his court-ordered financial debts be withdrawn from his wages. Upon release from confinement, Hertz shall be on supervised release for a term of three years on each of Counts 5, 6, 7, 11, 12, 13, 19, 20, 22, 29, 30, and 40. Hertz must also comply with the other conditions placed on him by the Court outlined in the Sentencing Order entered on May 26, 2004, by Judge James R. Spencer, United States District Judge.

Additionally, the Court ordered that Hertz must make restitution to the victims in this case. The total amount of restitution owed is \$3,233,661.19.

**Thomas W. Hofler, Jr.**

On February 18, 2004, a jury returned the following ***guilty verdicts*** involving Thomas W. Hofler, Jr.: Counts 15, 21, 24 (Wire Fraud), Counts 31, 33-36 (Money Laundering), and Count 40 (Conspiracy to Commit Money Laundering).

Because Hofler has been found guilty of the above crimes, he was sentenced by the United States District Court, 1000 East Main Street, Richmond, VA on May 26, 2004 before Judge James R. Spencer. The Court ordered that Hofler must serve 108 months in prison, consisting of 60 months on each of Counts 15, 21, and 24 and 108 months on each of Counts 31, 33, 34, 35, 36, and 40, all to run concurrently. The Court recommended to the Bureau of Prisons that Hofler participate in the UNICOR program and that payments toward his court-ordered financial debts be withdrawn from his wages. Upon release from confinement, Hofler shall be on supervised release for a term of three years on each of Counts 15, 21, 24, 31, 33, 34, 35, 36, and 40. Hofler must also comply with the other conditions placed on him by the Court outlined in the Sentencing Order entered on May 26, 2004, by Judge James R. Spencer, United States District Judge.

Additionally, the Court ordered that Hofler must make restitution to the victims in this case. The total amount of restitution owed is \$3,011,178.99.

Further, we would like to inform you that Austin, Knight, Hertz, and Hofler have all decided to appeal the judgments of the United States District Court. They have each filed a Notice of Appeal with the United States Court of Appeals for the Fourth Circuit. If and when the Court decides to schedule an oral argument in this case, the website listed below will be updated to reflect the date, time, and place of the argument. These types of proceedings do not require testimony by witnesses, but rather only argument by attorneys for each side. The appellate process may take some time before a final decision is reached. If you have questions about this process, please do not hesitate to contact me.

We believe it is important for you to know that just because the court ordered restitution does not mean the defendants will make restitution payments. In the event restitution payments are received from the defendant, the funds will be distributed by the Clerk of the U.S. District Court. Therefore, please keep the United States Attorney's Office and the United States District Court Clerk's Office advised of any address changes.

Below you will find information on how to access the United States Attorney's website for updated information about this case. This site will be updated periodically and upon receipt of new information regarding the status of each of the defendants in this case. The site will also have copies of each of the defendants' sentencing orders that you may download if you wish. In order to keep the names and addresses of the victims of this case private, this information is not included with this letter or on the website.

- Type in: [www.usdoj.gov/usao/vae](http://www.usdoj.gov/usao/vae)
- In the middle of the page, click on the ***Victim Witness*** button
- At the next screen “*Welcome to the Victim/Witness Information Page,*” click on ***US v. Knight, et al.***
- Once you are on this page, you will be able to read our letters and the sentencing orders for each of the defendants.

Some of you have brought up the issue of your personal identifying information being used by certain defendants. None of the defendants were charged with nor convicted of identity theft in this case; however, the information that follows provides steps to assist you in recovering from the effects of this type of victimization. You may want to contact each of the three credit bureaus to request copies of your credit reports. Also, you may want to ask each of the three credit bureaus to place a “fraud alert” on each of your existing accounts to help ensure that no one other than you can open a new account in your name. Additionally, you may wish to call the credit card companies in which you have active credit cards and ask them if they will allow you to put a PIN Number on your existing accounts. This way, no one but you will be able to access these accounts and use them for personal use. You may call the Virginia Office of the Attorney General at (800) 370-0459, for a copy of their identity theft guide, ***How to Avoid Identity Theft - A Guide for Victims.*** The following are the numbers to the three credit bureaus:

**Equifax** - [www.equifax.com](http://www.equifax.com)

To order your credit report, call: 800.685.1111

To report fraud/place “fraud alert” on accounts, call: 800.525.6285

TDD 800.255.0056

Or write: P.O. Box 740241, Atlanta, GA 30374-0241

**Experian** - [www.experian.com](http://www.experian.com)

To order your credit report, call: 888.397.3742

To report fraud/place “fraud alert” on accounts, call: 888.397.3742

TDD 800.972.0322

Or write: P.O. Box 9532, Allen, TX 75013

**TransUnion** - [www.transunion.com](http://www.transunion.com)

To order your credit report, call: 800.888.4213

To report fraud/place “fraud alert” on accounts, call: 800.680.7289

TDD 877.553.7803

Fax 714.447.6034

Email: [fvad@transunion.com](mailto:fvad@transunion.com)

Or write: Fraud Victim Assistance Department, P.O. Box 6790, Fullerton, CA 92634-6790

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You may always feel free to contact me with any questions about this case directly at (804) 819-5492 or toll-free at (800) 221-6540. You may also determine the current status of this case by calling the Victim Notification System (VNS) at 1-866-DOJ-4YOU\*. You will need your VNS ID Number and PIN Number to access the system. VNS is designed to provide you with information regarding the case as it proceeds through the criminal justice system. You may use the Victim Identification Number and Personal Identification Number (PIN) which has been assigned to you to telephone the VNS Call Center (1-866-DOJ-4YOU\*) or (1-866-365-4968\*), TDD/TTY users call 1-866-228-4619, and obtain the current status of the case. In addition, you may call the toll-free number and speak with an operator to update your contact information and/or change your decision about participation in the notification program.

*If your address and/or telephone number changes, please inform us of these changes at your earliest convenience.*

*Because of the overwhelming number of victims in this case, please check the website before calling me if you have any questions. If the site does not answer your questions, you may call me at (800) 221-6540 or (804) 819-5492 or you may feel free to email me at: [Kimberly.M.Anderson@usdoj.gov](mailto:Kimberly.M.Anderson@usdoj.gov).*

Sincerely,

Paul J. McNulty  
United States Attorney

Kimberly M. Anderson  
Victim/Witness Specialist

\*For international callers, 1-502-213-2767.